

People's Gas Inc.

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**PUBLIC SERVICE
COMMISSION**

QUARTERLY REPORT OF GAS COST
RECOVERY RATE CALCULATION

Case 2006-00078

Date Filed:

February 16, 2006

Date Rates to be Effective:

March 1, 2006

Reporting Period is Calendar Quarter Ended:

January 31, 2006

SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

<u>Component</u>	<u>Unit</u>	<u>Amount</u>
Expected Gas Cost (EGC)	\$/Mcf	15.7297
+ Refund Adjustment (RA)	\$/Mcf	
+ Actual Adjustment (AA)	\$/Mcf	
+ Balance Adjustment (BA)	\$/Mcf	
= Gas Cost Recovery Rate (GCR)	\$/Mcf	

GCR to be effective for service rendered from Jan 1, 2006 to March 31, 2006

A.	<u>EXPECTED GAS COST CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
	Total Expected Gas Cost (Schedule II)	\$	111,153.80
	+ Sales for the 12 months ended <u>Jan 31, 2006</u>	Mcf	7,066.50
	= Expected Gas Cost (EGC)	\$/Mcf	15.7297
B.	<u>REFUND ADJUSTMENT CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
	Supplier Refund Adjustment for Reporting Period (Sch. III)	\$/Mcf	
	+ Previous Quarter Supplier Refund Adjustment	\$/Mcf	
	+ Second Previous Quarter Supplier Refund Adjustment	\$/Mcf	
	+ Third Previous Quarter Supplier Refund Adjustment	\$/Mcf	
	= Refund Adjustment (RA)	\$/Mcf	
C.	<u>ACTUAL ADJUSTMENT CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
	Actual Adjustment for the Reporting Period (Schedule IV)	\$/Mcf	
	+ Previous Quarter Reported Actual Adjustment	\$/Mcf	
	+ Second Previous Quarter Reported Actual Adjustment	\$/Mcf	
	+ Third Previous Quarter Reported Actual Adjustment	\$/Mcf	
	= Actual Adjustment (AA)	\$/Mcf	
D.	<u>BALANCE ADJUSTMENT CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
	Balance Adjustment for the Reporting Period (Schedule V)	\$/Mcf	
	+ Previous Quarter Reported Balance Adjustment	\$/Mcf	
	+ Second Previous Quarter Reported Balance Adjustment	\$/Mcf	
	+ Third Previous Quarter Reported Balance Adjustment	\$/Mcf	
	= Balance Adjustment (BA)	\$/Mcf	

SCHEDULE II
EXPECTED GAS COST

Actual* Mcf Purchases for 12 months ended <u>Jan. 31, 2006</u>					
(1) Supplier	(2) Dth	(3) Btu Conversion Factor	(4) Mcf	(5)** Rate	(6) (4)x(5) Cost
Columbia Gas			7,981	14.94320	119,261.68

Totals 7,981 119,261.68

Line loss for 12 months ended Jan 31, 2006 is 12% based on purchases of 7,981 Mcf and sales of 7066.50 Mcf.

	Unit	Amount
Total Expected Cost of Purchases (6)	\$	119,261.68
÷ Mcf Purchases (4)	Mcf	7,981.00
= Average Expected Cost Per Mcf Purchased	\$/Mcf	14.9432
x Allowable Mcf purchases (must not exceed Mcf sales + .95)	Mcf	7438.42
= Total Expected Gas Cost (to Schedule IA.)	\$	111,153.80

*Or adjusted pursuant to Gas Cost Adjustment Clause and explained herein.
**Supplier's tariff sheets or notices are attached.

SCHEDULE IV

ACTUAL ADJUSTMENT

For the 3 month period ended Jan. 31, 2006

<u>Particulars</u>	<u>Unit</u>	Month 1 <u>(Nov.)</u>	Month 2 <u>(Dec.)</u>	Month 3 <u>(Jan.)</u>
Total Supply Volumes Purchased	Mcf	1366	2529	1904
Total Cost of Volumes Purchased	\$	17,229.43	37,823.22	28,475.84
÷ Total Sales (may not be less than 95% of supply volumes)	Mcf	1297.70	2402.55	1808.80
= Unit Cost of Gas	\$/Mcf	13.28	15.74	15.74
- EGC in effect for month	\$/Mcf	12.4292	12.4292	18.1236
= Difference [(Over-)/Under-Recovery]	\$/Mcf	.8508	3.31	2.3836
x Actual sales during month	Mcf	816.7	1779.4	1340.8
= Monthly cost difference	\$	694.84	5889.81	3195.93

	<u>Unit</u>	<u>Amount</u>
Total cost difference (Month 1 + Month 2 + Month 3)	\$	9780.58
÷ Sales for 12 months ended <u>Jan 31, 2006</u>	Mcf	7066.50
= Actual Adjustment for the Reporting Period (to Schedule IC.)	\$/Mcf	1.3840